**Financing College**

**Financial Aid Terms**

**Financial Aid -Any source of student assistance outside the student or the student's family.** Aid is made available from grants, scholarships, loans, and part-time employment from federal, state, institutional, and private sources. Awards from these programs may be combined in an "award package" to meet the cost of education. The types and amounts of aid awarded are determined by financial need, available funds, student classification, academic performance, and sometimes the timeliness of application.

**Free Application for Federal Student Aid (FAFSA)** -**A detailed form that is the first step in applying for federal financial aid, offered by the U.S. Department of Education.** The FAFSA is available from colleges, high school guidance counselors, public libraries, and on the Internet. Only one FAFSA needs to be completed each year, even if you are considering several different colleges. You may also use the FAFSA to apply for state and college aid.

**Expected Family Contribution (EFC)** -**The amount a student and his or her family are expected to pay toward the student's cost of attendance as calculated from information on the FAFSA**. The EFC is subtracted from the cost of attendance to determine need. Need is used to determine a student's eligibility for the student financial assistance programs.

**Federal Work-Study Program (FWS) A part-time employment program that provides jobs for undergraduate and graduate students in need of such earnings to meet a portion of their educational expenses.** Funds are disbursed to students through bi-weekly or monthly payroll checks.

**Grant- A type of financial aid that does not have to be repaid; it is awarded on the basis of need, possibly combined with some skills or characteristics the student possesses**

**Scholarship- A form of financial assistance that does not require repayment or employment and is usually made to students who demonstrate or show potential for distinction, usually in academic performance.**

**Loan-These are offered to students or parents and must be repaid** usually with interest, to the source of the funding. Loans often come from the institution or private lender. Generally, the greater the financial need is, the larger the loan. A variety of repayment options are usually available, and sometimes permit payment to be deferred while the borrower is enrolled in school. Repayment does not begin until 6 months after completion of the college program and may not be deferred until a later date under some special circumstance.